

AUG 8 1961

Approved For Release 2004/02/10 : CIA-RDP75-00149R000500370022-6

STAT

A6154

and the sentiments of Congress, the problem deserves our earnest study at this time.

I hope that these comments will clarify the position of the Department in these matters.

Sincerely yours,

DEAN RUSK

Some Depressed Areas Created by Washington Deskmen

EXTENSION OF REMARKS

HON. BRUCE ALGER

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. ALGER. Mr. Speaker, a number of people living in what they believed to be prosperous and happy communities, have recently been told by Washington bureaucrats that actually they are in depressed areas. This is the ridiculous extremes to which paternal government and uncontrolled bureaucracy leads us. It doesn't matter if your community is a going concern, handling to the satisfaction of its own citizens, the problems which come up from day to day, it has to be a depressed area if some bureaucrat in Washington decides it should be. Once the decision is made we appropriate more money to force aid upon people who do not want it. For my part I will trust the people to decide upon the economic condition of the areas in which they live. You may be interested in the facts concerning some of the communities designated as depressed by the Washington deskmen, as outlined in the following editorial from the Chicago Daily Tribune:

Those Depressed Areas

Senator John Tower of Texas denounced indignantly the other day that the Kennedy administration, in its quest to find places where it could spend almost \$400 million extracted from Congress for aid to areas of chronic economic depression, had designated 47 east Texas counties as depressed. It did so, he said, without their knowledge and without consulting business leaders.

Senator Tower said that 6 weeks before Smith County was labeled a depressed area, two large industrial corporations had announced that they were about to construct plants there. He said that in a single week residents of the city of Tyler, in that county, had taken out permits to build \$374,000 worth of houses, which would hardly suggest depression.

Similar complaints were heard from Nebraska, where 12 central Nebraskan counties were named as depressed areas by the Department of Commerce. They thus become eligible for redevelopment funds out of the administration's kitty.

One of these, Dawson County, is one of the most prosperous agricultural counties in the Nation, according to Representative MARTIN of Nebraska. The Census Bureau reported last year that agricultural production in the county amounted to more than \$60 million. At Cosed, a town of 3,000 in Dawson County, the Monroe Auto Equipment Co., of Michigan, recently completed a new \$4½ million plant offering jobs to 250 persons. It encountered difficulty in obtaining this many workers because of full employment in south central Nebraska.

Nebraska public officials and businessmen were equally bewildered by this surge of solicitude from Washington. The chief of the State division of resources said that all he had learned on a trip to Washington to be briefed on the workings of the depressed area law was that counties in every State would be found eligible.

So this program looks a good deal like a device to spread around political favor in the hope of expressions of gratitude at the polls, and the end is pursued even if the Democrats are obliged to discover depression where it doesn't exist.

It's Time for a Change—Before It's Too Late

EXTENSION OF REMARKS

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1961

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following special report of the Nation on the Central Intelligence Agency. This report, by Fred J. Cook, is dated June 24, 1961.

Mr. Cook took his information from published sources and I do not care to comment on the validity of all of his conclusions; but only say that it is time for a change—and we had better hurry, before it is too late.

The report follows:

THE CIA
(By Fred J. Cook)
INTRODUCTION

(MORRIS'S NOTE.—"The only time the people pay attention to us," Allen Dulles once said of the CIA, "is when we fall flat on our faces"—or words to that effect. But as Mr. Dulles would be the first to concede, the reason for the default lies not with the people, but with the CIA itself. The disastrous Bay of Pigs episode is not the only fiasco that can be laid at the door of the lavishly financed CIA. But in this latest fiasco more of the facts came to light than in similar earlier episodes. Now, therefore, seemed an excellent time, while the facts of the Cuban fiasco are fresh in mind, to take a look at an agency which is of vital concern to national security and the well-being of the people, but about which the people know less than about any major agency of Government. What interested us, as editors, were not the immediate causes of the particular fiasco; we do not propose to join the feverish post-mortem search for scapegoats. Our concern was with the basic question: How did this extraordinary agency come into being? What is known about its record? How does it fit into the American constitutional scheme of things? On the face of it, an inquiry into an agency dedicated, as is the CIA, to secrecy in its planning, its operations, its personnel, and its budget, presents a difficult journalistic undertaking. But a considerable amount of material has been published about the agency and its operations, some of it clearly inspired by the CIA with the approval of its Director. True, most of the material is scattered and disparate, consisting of small items which, taken alone, have little meaning. But when put together by an astute craftsman, they form a significant pattern. The easiest part of our job was to find the craftsman. Fred J. Cook's special

articles for the Nation—"The FBI," "The Shame of New York," and "Gambling, Inc." have won him important journalism prizes for the last 3 years. In giving him the assignment, we told Mr. Cook to stick to the public record; we did not want him to attempt to seek out undisclosed facts or to probe into possibly sensitive areas. His assignment was simply to summarize existing published material which, long since available to potential enemies, was still not readily available to the American public. Mr. Cook has followed our instructions. There is not a fact hereafter set forth which has not already been published. Yet, put together, these facts add up to a story that proved new to us, as we are certain it will prove new to the reader. And enough of the known facts are presented to warrant an informed judgment about the agency. For what Mr. Cook proves is what Sir Compton Mackenzie demonstrated for Nation readers in another connection (see "The Spy Circus: Parasites With Cloaks and Daggers," Dec. 5, 1959); namely, that intelligence of the cloak-and-dagger variety is a two-edged sword, and that the sharper edge is sometimes held toward the throat of the wielder. And another lesson that Mr. Cook drives home is this: clearly the CIA must be divested of its action of operational functions and restricted to the sole function of gathering information for other agencies operating under customary constitutional safeguards.)

PART I. SECRET HAND OF THE CIA

Shortly before 6 p.m. on December 5, 1957, a faceless man dropped a letter into a mail box in New York City's Grand Central Station area. It was to the editor of the Nation. The opening sentence read: "As an American intelligence officer, I feel duty bound to state my apprehensions as to the future of my country." What was the basis of these apprehensions? The threat of rampant world communism? The menace of Soviet weaponry? The dangers of internal subversion? No. The writer, whose letter bore in almost every line intrinsic evidence of minute and intimate knowledge, was concerned about just one crucial aspect of the times—the mortal damage America was inflicting upon itself. This was a damage, he found, that resulted directly from the careers and the power and the misconceptions of two men: the late John Foster Dulles, then Secretary of State, and his younger brother, Allen Welsh Dulles, then as now head of the vitally important Central Intelligence Agency, the official eyes and ears of American foreign policy, the medium that gathers and sifts and judges information—and so conditions the minds and predetermines the decisions of American policy makers on the highest levels.

Now, 4 years later, in the wake of the Cuban disaster—and other less publicized but equally significant disasters—the words of the intelligence agent who unburdened himself in that letter read like the most infallible of prophecies. America was being pushed along the road to foreign policy disasters, he wrote, by the closed minds of the Dulles brothers—by their refusal to face facts as facts and their insistence on torturing facts into the framework of predetermined policy.

This is the way the intelligence officer phrased it:

"The following circumstances are cause for deep concern:

"1. U.S. foreign policy is not formulated on the basis of an objective analysis of facts, particularly those made available by intelligence service, but is being determined by John Foster Dulles' personal rash conceptions.

"2. The fact that Allen Dulles is in charge of collection and evaluation of all information makes it possible for the Secretary of State to distort the information received as